

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4485**

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
(MCL 550.1101 to 550.1704) by adding section 402c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 402C. (1) IF PARTICIPATION BETWEEN A PRIMARY CARE PHY-
2 SICIAN AND A HEALTH CARE CORPORATION TERMINATES, THE PHYSICIAN
3 MAY PROVIDE WRITTEN NOTICE OF THIS TERMINATION WITHIN 15 DAYS
4 AFTER THE PHYSICIAN BECOMES AWARE OF THE TERMINATION TO EACH
5 MEMBER WHO HAS CHOSEN THE PHYSICIAN AS HIS OR HER PRIMARY CARE
6 PHYSICIAN. IF A MEMBER IS IN AN ONGOING COURSE OF TREATMENT WITH
7 ANY OTHER PHYSICIAN WHO IS PARTICIPATING WITH THE HEALTH CARE
8 CORPORATION AND THE PARTICIPATION BETWEEN THE PHYSICIAN AND THE
9 HEALTH CARE CORPORATION TERMINATES, THE PHYSICIAN MAY PROVIDE
10 WRITTEN NOTICE OF THIS TERMINATION TO THE MEMBER WITHIN 15 DAYS
11 AFTER THE PHYSICIAN BECOMES AWARE OF THE TERMINATION. THE

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1 NOTICES UNDER THIS SUBSECTION MAY ALSO DESCRIBE THE PROCEDURE FOR
2 CONTINUING CARE UNDER SUBSECTIONS (2) AND (3).

3 (2) IF PARTICIPATION BETWEEN A MEMBER'S CURRENT PHYSICIAN
4 AND A HEALTH CARE CORPORATION TERMINATES, THE HEALTH CARE CORPO-
5 RATION SHALL PERMIT THE MEMBER TO CONTINUE AN ONGOING COURSE OF
6 TREATMENT WITH THAT PHYSICIAN AS FOLLOWS:

7 (A) FOR 90 DAYS FROM THE DATE OF NOTICE TO THE MEMBER BY THE
8 PHYSICIAN OF THE PHYSICIAN'S TERMINATION WITH THE HEALTH CARE
9 CORPORATION.

10 (B) IF THE MEMBER IS IN HER SECOND OR THIRD TRIMESTER OF
11 PREGNANCY AT THE TIME OF THE PHYSICIAN'S TERMINATION, THROUGH
12 POSTPARTUM CARE DIRECTLY RELATED TO THE PREGNANCY.

13 (C) IF THE MEMBER IS DETERMINED TO BE TERMINALLY ILL PRIOR
14 TO A PHYSICIAN'S TERMINATION OR KNOWLEDGE OF THE TERMINATION AND
15 THE PHYSICIAN WAS TREATING THE TERMINAL ILLNESS BEFORE THE DATE
16 OF TERMINATION OR KNOWLEDGE OF THE TERMINATION, FOR THE REMAINDER
17 OF THE MEMBER'S LIFE FOR CARE DIRECTLY RELATED TO THE TREATMENT
18 OF THE TERMINAL ILLNESS.

19 (3) SUBSECTION (2) APPLIES ONLY IF THE PHYSICIAN AGREES TO
20 ALL OF THE FOLLOWING:

21 (A) TO PARTICIPATE ON A PER CLAIM BASIS AND TO ACCEPT AS
22 PAYMENT IN FULL REIMBURSEMENT FROM THE HEALTH CARE CORPORATION AT
23 THE RATES APPLICABLE PRIOR TO THE TERMINATION.

24 (B) TO ADHERE TO THE HEALTH CARE CORPORATION'S STANDARDS FOR
25 MAINTAINING QUALITY HEALTH CARE AND TO PROVIDE TO THE HEALTH CARE
26 CORPORATION NECESSARY MEDICAL INFORMATION RELATED TO THE CARE.

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1 (C) TO OTHERWISE ADHERE TO THE HEALTH CARE CORPORATION'S
2 POLICIES AND PROCEDURES, INCLUDING, BUT NOT LIMITED TO, THOSE
3 CONCERNING UTILIZATION REVIEW, REFERRALS, PREAUTHORIZATIONS, AND
4 TREATMENT PLANS.

5 (4) A HEALTH CARE CORPORATION SHALL PROVIDE WRITTEN NOTICE
6 TO EACH PARTICIPATING PHYSICIAN THAT IF PARTICIPATION BETWEEN THE
7 PHYSICIAN AND THE HEALTH CARE CORPORATION TERMINATES, THE PHYSI-
8 CIAN MAY DO BOTH OF THE FOLLOWING:

9 (A) NOTIFY THE HEALTH CARE CORPORATION'S MEMBERS UNDER THE
10 CARE OF THE PHYSICIAN OF THE TERMINATION IF THE PHYSICIAN DOES SO
11 WITHIN 15 DAYS AFTER THE PHYSICIAN BECOMES AWARE OF THE
12 TERMINATION.

13 (B) INCLUDE IN THE NOTICE UNDER SUBDIVISION (A) A DESCRIP-
14 TION OF THE PROCEDURES FOR CONTINUING CARE UNDER SUBSECTIONS (2)
15 AND (3).

16 (5) THIS SECTION DOES NOT CREATE AN OBLIGATION FOR A HEALTH
17 CARE CORPORATION TO PROVIDE TO A MEMBER COVERAGE BEYOND THE MAXI-
18 MUM COVERAGE LIMITS PERMITTED BY THE HEALTH CARE CORPORATION'S
19 CERTIFICATE WITH THE MEMBER.

20 (6) AS USED IN THIS SECTION:

21 (A) "PHYSICIAN" MEANS AN ALLOPATHIC PHYSICIAN OR OSTEOPATHIC
22 PHYSICIAN.

23 (B) "TERMINAL ILLNESS" MEANS THAT TERM AS DEFINED IN SECTION
24 5653 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.5653.

25 (C) "TERMINATES" OR "TERMINATION" INCLUDES THE NONRENEWAL,
26 EXPIRATION, OR ENDING FOR ANY REASON OF A PARTICIPATION AGREEMENT
27 BETWEEN A PHYSICIAN AND A HEALTH CARE CORPORATION, BUT DOES NOT

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1 INCLUDE A TERMINATION BY THE HEALTH CARE CORPORATION FOR FAILURE
2 TO MEET APPLICABLE QUALITY STANDARDS OR FOR FRAUD.

3 Enacting section 1. This amendatory act takes effect July
4 1, 2000.